

U.S. DEPARTMENT OF STATE
DIRECTOR OF INTELLIGENCE AND RESEARCH

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*Intelligence
Note* - 190

March 19, 1969

To : The Secretary
Through: S/S
From : INR - Thomas L. Hughes *TLH*
Subject: East Pakistan: Food Shortage Looms

Rice prices have soared in East Pakistan and will probably move even higher in the next three months. Hunger and hardship, along with a further rending of the social fabric of East Pakistan may result. Yet the Central Government, either unconvinced due to contradictory reports or unwilling to admit that there is a genuine shortfall in production in the East, is not undertaking the kind of logistic planning that would be necessary to transfer enough of West Pakistan's food surplus to avoid a crisis. If independent observers are correct about the magnitude of the food shortage that is likely to develop, the government may have to consider a request to the United States for logistic or other assistance.

Rising Prices. Owing to the seasonal pattern of harvesting, rice prices in East Pakistan normally start rising during the winter, may slow their rise somewhat in late spring, but only begin to decline in July. This year, prices started rising earlier than usual and have risen faster to unprecedented levels. Lower income groups in urban areas and inhabitants of certain rural districts are already facing severe hardship. Prices are expected to rise further through June: hunger -- or perhaps -- and an even more angry, disruptive public mood are likely consequences.

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PA/HO, Department of State
E.O. 12958, as amended
June 9, 2005

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Authority NND 964000
By *CEP* NARA Date *9/1/97*

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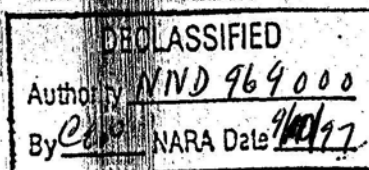
Hoarding and the disruption of grain movements owing to the virtual anarchy which prevails in East Pakistan account in part for local shortages and higher prices. East Pakistani political leaders, including the pre-eminent Sheikh Mujib-ur-Rahman, have warned hoarders and black marketeers against profiteering in the current grave situation. But there is sufficient evidence pointing to a genuine shortfall in production to warrant considerable concern.

The abnormal price rise began before the virtual collapse of government in East Pakistan suggesting that the political disorders are a contributing factor but probably not the major cause for current price levels. Moreover, heavy floods this winter caused severe damage to crops -- more than the Government of East Pakistan has been willing to admit for political reasons.

Government Slow to Act. Because of its political commitment to a high estimate of food production, and perhaps even more because of its complete demoralization, the Government of East Pakistan has been laggard in bringing to the attention of the Central Government the magnitude of the problem which may be developing. There is evidence now, however, that some officials of the Central Government are beginning to consider the situation and its possible consequences. Thus far the Central Government does not appear to be convinced of the necessity for large scale grain transfers from West to East, nor is it effectively organized to perform such a task.

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In West Pakistan both wheat and rice are now in surplus; there is enough available to supply -- in theory -- a major part if not all of the additional imports that may be required to keep the East's food distribution system from breaking down. However, logistic bottlenecks -- internal transport and storage in West Pakistan, port capacity and availability of shipping space -- appear to preclude shipping a sufficient volume in good time if shortages are as severe as some independent observers now predict. In that case, the Central Government will have to consider seriously an appeal for foreign assistance, quite possibly from the United States.

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E.O. 12958, as amended
June 9, 2005

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By	CEA NARA Date 9/10/97